

Message Text

CONFIDENTIAL

PAGE 01 SOFIA 01228 261527Z
ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 EB-04 OMB-01 TRSE-00 SP-02
 INR-05 CIAE-00 /035 W
 -----045341 261912Z /46
R 261315Z JUN 78
FM AMEMBASSY SOFIA
TO SECSTATE WASHDC 4794

C O N F I D E N T I A L SOFIA 1228

LIMDIS

E.O. 11652: GDS
TAGS: EEWT, PEPR, BU, US
SUBJECT: BULGARIA AND MFN

REF: STATE 149638

1. DAVID MORSE CALLED AT EMBASSY JUNE 23 IN ADVANCE OF HIS MEETINGS WITH COUNCIL OF MINISTERS DEPUTY CHAIRMAN ANDREY LUKANOV AND FOREIGN TRADE MINISTER KHRISTO KHRISTOV. HE SAID LUKANOV'S INVITATION HAD BEEN EXTENDED BY BULGARIAN COMMERCIAL COUNSELOR IVAN GOSPODINOV IN NEW YORK WHO SAID HE DID NOT KNOW PURPOSE OF VISIT. MORSE AND EMBOFF DISCUSSED POSSIBLE TOPICS, INCLUDING MFN, AND MORSE WAS FULLY BRIEFED ON PRESENT US POSITION ON MFN FOR BULGARIA. MORSE MET WITH KHRISTOV AND MFT GENERAL DIRECTOR GEORGI TOROMANOV JUNE 23 AND THEN MET AGAIN WITH EMBOFF.

2. KHRISTOV HAD BEGUN BY INDICATING GOB'S AWARENESS OF MORSE'S FIRM'S EXPERIENCE AND MORSE'S OWN INVOLVEMENT IN EAST/WEST TRADE MATTERS. HE THEN MOVED TO SUBJECT OF US/ BULGARIAN TRADE AND LAMENTED PRESENT LOW LEVEL, REFERRING TO A POTENTIAL TWO-WAY LEVEL OF \$300 MILLION. KHRISTOV SAID HE BELIEVED BULGARIA "HAD DONE ALL WE CAN" TO INCREASE THIS TRADE, WITHOUT MFN. WITH THE GRANTING
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 SOFIA 01228 261527Z

OF MFN TO HUNGARY, KHRISTOV SAID BULGARIA MW HAD FEELING THAT US WAS PLAYING EE COUNTRIES OFF AGAINST EACH OTHER TO ANNOY USSR, BUT, BE THAT AS IT MAY, BULGARIA HAD NOW DECIDED THAT IT WANTED MFN.

3. SPECIFICALLY, HE WAS ASKING MORSE TO PREPARE A PRELIMINARY ASSESSMENT MEMORANDUM OF WHAT BULGARIA WOULD HAVE

TO DO TO GET MFN. ON THE BASIS OF THAT MEMORANDUM, GOB WOULD THEN DECIDE WHETHER TO RETAIN MORSE'S FIRM (SURREY, KARASIK, ANDN ORS) IN SEEKING MFN. MORSE RESPONDED FIRST BY ASKING WHETHER GOB WAS ASKING ANYONE ELSE TO PREPARE SIMILAR MEMORANDUM. KHRISTOV RESPONDED NEGATIVELY. (EMBASSY ALSO IS NOT AWARE OF SUCH A REQUEST TO ANYONE ELSE.) MORSE THEN SAID THAT HIS FIRM WOULD PREPARE MEMORANDUM ON AN URGENT BASIS, BUT WITHOUT ANY COMMITMENT TO AGREE TO REPRESENT BULGARIA PRIOR TO CONSULTATIONS WITH HIS PARTNERS. KHRISTOV AGREED.

4. MORSE WAS TO MEET WITH LUKANOV, WHO WAS IN THE HOSPITAL WITH A THROAT INFECTION, ON JUNE 24. HE PROMISED TO NOTIFY EMBOFF IF HIS CONVERSATION WITH LUKANOV MODIFIED THE SITUATION IN ANY SIGNIFICANT WAY. HE DID NOT CALL.

5. MORSE ASKED IF HE OR ANOTHER REPRESENTATIVE OF HIS

FIRM MIGHT MEET WITH DEPT OFFICIALS ON TOPIC OF MFN FOR BULGARIA IN PREPARING MEMORANDUM. EMBOFF SUGGESTED HE SEEK APPOINTMENT WITH DAS LUERS OR ANDREWS, SCHMIDT OR GLENNOF EUR/EE. MORSE ASKED THAT THE GOB APPROACH BE HELD CLOSELY AT THIS TIME DUE TO ITS TENTATIVE AND SENSITIVE NATURE. EMBASSY SUGGEST THAT THIS COURSE BE FOLLOWED TO AVOID CHASING OFF BULGARIANS BY PREMATURE DISCLOSURE. CONFIDENTIAL

CONFIDENTIAL

PAGE 03 SOFIA 01228 261527Z

6. COMMENT: ON BASIS OF NATURE AND LEVEL OF GOB APPROACH AND MORSE'S DESCRIPTION OF KHRISTOV'S COMMENTS, AND STATEMENTS BY DEPUTY FOREIGN MINISTER TSVETKOV AND DEPUTY FOREIGN TRADE MINISTER GINEV TO DAS LUERS AND THE AMBASSADOR(SOFIA 1063 AND SOFIA 1182), EMBASSY BELIEVES THAT GOB HAS TAKEN DECISION TO LOOK AT HUNGARIAN-TYPE ARRANGEMENT FOR MFN MUCH MORE CLOSELY AND SERIOUSLY THAN EVER BEFORE. BULGARIA'S CONTINUING GRAVE ECONOMIC SITUATION IS A STRONG INCENTIVE. THERE IS, OF COURSE, STILL A LONG WAY TO GO. LUKANOV, KHRISTOV AND THEIR MORE REALISTIC ASSOCIATES SEE THESE THINGS DIFFERENTLY FROM SOME OTHERKEY ELEMENTS IN THE PARTY, AND THERE WILL THUS PROBABLY BE MUCH INTERNAL DEBATE BEFORE A FINAL DECISION TO GO FOR MFN WILL BE TAKEN. THERE COULD BE STRONG SOVIET RESERVATIONS AND POSSIBLY A VETO. ON THE OTHER HAND, WE DO NOT EXPECT GOB WOULD HAVE DECIDED TO APPROACH MORSE WITHOUT OBTAINING SOME INDICATION THAT MOSCOW WOULD NOT PROTEST TOO EMPHATICALLY. THE BULGARIANS HAVE MADE AN IMPORTANT FIRST STEP TOWARD AN ACCOMMODATION. GARTHOFF

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MFN, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 26 jun 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978SOFIA01228
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780265-0185
Format: TEL
From: SOFIA
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780620/aaaaaqye.tel
Line Count: 114
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 7311ee7f-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: 78 STATE 149638
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 19 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2208679
Secure: OPEN
Status: NATIVE
Subject: BULGARIA AND MFN
TAGS: EEWT, PEPR, BU, US
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/7311ee7f-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014